

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF WATER SERVICE)	
CORPORATION OF KENTUCKY FOR AN)	CASE NO. 2013-00237
ADJUSTMENT OF RATES)	

ORDER

On November 22, 2013, Water Service Corporation of Kentucky (“WSKY”) moved for an additional extension of time to file its remaining responses to the October 25, 2013 Request for Information filed by Commission Staff and the October 25, 2013 Request for Information submitted by the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention (“AG”) (collectively “October 25, 2013 Requests for Information”).¹ WSKY also requested to amend the procedural schedule to accommodate this additional extension of time and set an informal telephone conference to discuss revised procedural dates.

Pursuant to the Commission’s Order entered October 18, 2013, WSKY’s responses were originally due no later than November 8, 2013. On November 14, 2013, the Commission entered an Order granting WSKY’s November 4, 2013 Motion to Extend Deadlines and Amend Procedural Schedule. Pursuant to the November 14, 2013 Order, WSKY’s responses to the October 25, 2013 Requests for Information were due no later than November 22, 2013.

¹ On November 22, 2013, WSKY provided responses to 5 of the 23 questions in the Commission Staff’s October 25, 2013 Request for Information and 10 of the 113 questions in the AG’s October 25, 2013 Request for Information.

An informal telephone conference was held on November 26, 2013. All parties, including the parties who intervened in this case, i.e., AG; Hickman County Fiscal Court; and the city of Clinton (collectively known as the "Intervenors"), participated in the informal telephone conference. WSKY advised that it wanted an extension of three additional weeks to December 13, 2013, to respond to the October 25, 2013 Requests for Information. The Intervenors suggested that WSKY withdraw its rate application and stated that if it didn't, the Intervenors intend to file a motion to dismiss.

On November 27, 2013, WSKY filed supplemental information to its motion to amend the procedural schedule and included a proposed new procedural schedule. WSKY proposes that the hearing occur in the second or third week of April 2014. WSKY states it is "willing to waive its statutory right granted by KRS 278.190(2) to implement the proposed rates on or after March 27, 2014, until the Commission has rendered a final decision in this case."²

On December 3, 2013, the Intervenors filed a joint motion to dismiss WSKY's application for an adjustment of rates. The Intervenors also moved for the Commission to deny WSKY's motion to amend the procedural schedule. Their motions are based on WSKY's failure to comply with Orders issued by the Commission and WSKY's failure to commit sufficient resources to timely respond to Commission Staff's and Intervenors' discovery requests. The Intervenors expressed concern that WSKY's proposed procedural schedule could prejudice the case of the Intervenors if the Intervenors need additional time to respond to requests for information.

² WSKY's Supplemental Information to Water Service Corporation of Kentucky's Motion to Amend Procedural Schedule filed November 27, 2013 at 3.

WSKY filed a response on December 5, 2013, to the Intervenor's motion. WSKY argues that enough time remains to complete discovery, hold the hearing, submit briefs, and to issue an order before the statutory ten-month period expires.

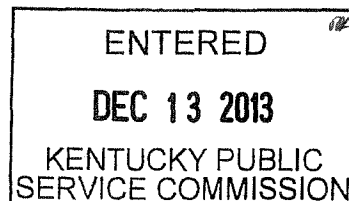
Having considered the motions and WSKY's agreement to not implement the proposed rates prior to issuance of a final decision in this case, the Commission finds that sufficient time remains prior to the expiration of the ten-month statutory period to modify the procedural schedule and provide due process to all parties. WSKY's motion for an extension of time to reply to the October 25, 2013 Requests for Information and amendment of the procedural schedule should be granted.

The Commission further finds the Intervenor's motions to deny WSKY's request for an extension of time and to dismiss WSKY's rate application should be denied. There is still sufficient time to afford all parties due process and to adjudicate this rate application within the ten-month statutory period established in KRS 278.190(3). However, the Commission notes that WSKY was originally afforded two weeks to respond to data requests, but due to its two requests for additional time, that has now stretched out to seven weeks, and that the delays have necessitated two separate revisions to the procedural schedule. The Commission now advises WSKY that any further requests by it for extensions of time will likely infringe on the Intervenor's due process rights of sufficient time to prepare and present their case. Should that situation occur, the Commission will have no choice but to grant a motion to dismiss.

IT IS THEREFORE ORDERED that:

1. Based on WSKY's agreement to not implement the proposed rates prior to issuance of a final decision in this case, WSKY's November 22, 2013 motion to amend the procedural schedule is granted.
2. Intervenors' request to deny WSKY's motion to amend the procedural schedule is denied.
3. Intervenors' request to dismiss WSKY's application for rate adjustment is denied.
4. The procedural schedule set forth in the Appendix to this Order shall be followed and shall replace the procedural schedule set forth in the November 14, 2013 Order.
5. All other provisions of the October 18, 2013 and November 14, 2013 Orders shall remain in full force and effect.
6. Further requests for extensions of time by WSKY shall result in a dismissal of this case.

By the Commission



ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2013-00237 DATED **DEC 13 2013**

Any request to intervene shall be filed no later than 10/25/2013

All requests for information to WSKY shall
be filed no later than 10/25/2013

WSKY shall file with the Commission its
responses to the requests for information no later than 12/13/2013

All supplemental requests for information
to WSKY shall be filed no later than 01/03/2014

WSKY shall file with the Commission its responses
to supplemental requests for information no later than 01/24/2014

Intervenor testimony, if any, shall be filed with
the Commission in verified prepared form no later than 02/07/2014

All requests for information to any
Intervenor shall be filed no later than 02/21/2014

Intervenors shall file with the Commission their
responses to requests for information no later than 03/07/2014

WSKY may file with the Commission the
testimony of its rebuttal witnesses in written
verified form no later than 03/21/2014

An informal conference will be held at the Commission's
offices in Frankfort, Kentucky, for the purpose of considering the
possibility of settlement, the simplification of issues, and any other
matters that may aid in the handling or disposition of this case,
beginning at 10:00 a.m. Eastern Daylight Time, on 04/01/2014

Public Hearing for the purpose of cross-examination of
witnesses of WSKY and Intervenors will be held at the
Commission's offices in Frankfort, Kentucky,
beginning at 10:00 a.m. Eastern Daylight Time, on 04/08/2014

Briefs, if any, shall be filed To be scheduled

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